

Required Report - public distribution

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## Mexico

### Agricultural Situation

#### Reynosa Closed as Border Crossing for U.S. Apples and Selected Meat Product

2005

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**Report Highlights:**

On December 28, 2004, the Secretariat of Treasury (SHCP) published in the *Diario Oficial* (Federal Register) the Sixth Resolution modifying the 2004 Foreign Trade General Rules, in which the closure of the Mexican border city of Reynosa and the opening of the Pacific port of Salina Cruz were established for the entry of apples, certain variety meats, and frozen chicken leg quarters. However, government authorities quickly conceded that the lifting of the apple anti-dumping duty had neutralized the argument for closing Reynosa, at least to apples, and promised to soon reinstate it as an apple border crossing.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico [MX1]  
[MX]

**Introduction:** This report summarizes an official announcement published in Mexico's *Diario Oficial* (Federal Register) on December 28, 2004.

**Disclaimer:** This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

**Title:** Sixth Resolution of Modifications to the Rules of General Regulations on Foreign Trade for 2004.

**FAS/Mexico's Executive Summary:** On December 28, 2004, the Secretariat of Treasury (SHCP) published in the *Diario Oficial* (Federal Register) the Sixth Resolution modifying the 2004 Foreign Trade General Rules. Among the most important issues, SHCP establishes in Article 3 ("*tercero*") of the resolution, the following:

- ❑ The closure of Ciudad Reynosa, Tamaulipas and the opening of the Pacific port of Salina Cruz as points of entry for apple shipments (H.T.S. 0808.10.01).

Before the publication of the present resolution, the list of authorized border crossing for apples (H.T.S. 0808.10.01) were: Ciudad Juarez, Ciudad Reynosa, Manzanillo, Mexicali, Nogales, Nuevo Laredo, San Luis Rio Colorado, Tijuana, Tuxpan, Veracruz and Mazatlan, as indicated in Annex 21, first published on March 31, 2004.

- ❑ The closure of Ciudad Reynosa for frozen chicken leg quarters (CLQ) and edible animal offal shipments (H.T.S. 0207.14.04 & 0206.29.99, respectively).

Currently, the authorized crossing border for these products are: Agua Prieta, Cancun, Ciudad Juarez, Colombia, Manzanillo, Matamoros, Mexicali, Nogales, Nuevo Laredo, Piedras Negras, San Luis Rio Colorado, Tijuana and Tuxpan.

**FAS Comment:** The closure of Reynosa could adversely impact U.S. apple trade, as approximately 50 percent of U.S. apple shipments enter via this border crossing. Reynosa is one of ten authorized points of entry for U.S. apple shipments, in accordance with a phytosanitary agreement signed between the Animal Plant Health Inspection Service (APHIS) of USDA and the National Service of Health, Food Safety and Food Quality (SENASICA) of the Mexican Ministry of Agriculture (SAGARPA). Mexican government authorities indicated that the Reynosa closing was due to widespread use in that city of court injunctions (*amparos*), a weak loophole in Mexican law allowing any Mexican to avoid compliance with government rules and regulations. Industry sources also acknowledged, in both the case of frozen CLQ and apples, that a fair amount of trade in these products was entering the country via *amparos*, thereby allowing importers to avoid the quantitative safeguard limits that currently apply to frozen CLQ and, until recently, the duties which had applied to most U.S. apples (see MX5001).

Reynosa is one of the most important border crossings for U.S. apples as it provides easy access to the good highway system that exists from there on south to the central part of the country and to Mexico City. It remains to be seen if Nuevo Laredo, also in the state of Tamaulipas and privy to the same good highway system, can absorb the overflow from Reynosa. Industry sources indicate that Reynosa is preferred over Nuevo Laredo because of capital investments, established relationships with freight forwarders and customs house brokers, slightly lower transportation costs to central Mexico, and less border crossing congestion. The impact of the opening of the Pacific port of Salina Cruz in the state of

Oaxaca is expected to be negligible as almost 100 percent of all U.S. apple shipments are trucked across the U.S.-Mexico border.

Pursuant to FAS inquiries on the Reynosa closing, government authorities conceded that the lifting of the apple anti-dumping duty had neutralized the argument for closing Reynosa, at least to apples, and promised to soon reinstate it as an apple border crossing. However, Reynosa would still remain closed as a port-of-entry to frozen CLQ and selected meat varieties.

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**Internet Connections**

*FAS Mexico Web Site:* We are available at <http://www.fas-la.com> or visit headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

*Useful Mexican Web Sites:* Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx) and Mexico's equivalent of the Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx). These websites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.